

Message Text

UNCLASSIFIED POSS DUPE

PAGE 01 ROME 09804 081753Z

66

ACTION EB-07

INFO OCT-01 EUR-12 NEA-10 ISO-00 AGR-10 COME-00 TRSE-00

CIAE-00 INR-07 NSAE-00 STR-04 /051 W

----- 092659

R 081640Z JUL 75

FM AMEMBASSY ROME

TO SECSTATE WASHDC 1978

INFO AMEMBASSY TUNIS

AMEMBASSY ALGIERS

AMEMBASSY RABAT

AMEMBASSY ATHENS

AMEMBASSY MADRID

USMISSION BRUSSELS

UNCLAS ROME 9804

STATE PASS AGRICULTURE

E.O. 11652: N/A

TAGS: EAGR, ECIN, ETRD, IT

SUBJECT: ITALIAN OLIVE OIL SITUATION

REF: TUNIS 4110

1. WITHOUT ATTEMPTING TO COMMENT ON EC-TUNISIAN RELATIONS ASPECT OF REFTEL, FOLLOWING ARE SOME COMMENTS ON OLIVE OIL SITUATION IN ITALY.

2. CHECK WITH AUTHORITIES IN ROME, INCLUDING OLIVE OIL IMPORTERS ASSOCIATION, SHOWS THAT OLIVE OIL IMPORTS INTO ITALY WERE EFFECTIVELY ONLY BLOCKED FROM JUNE 20 TO 27 BY IMPOSITION OF SAFEGUARD CLAUSE AND DENIAL OF IMPORT CERTIFICATES, PENDING EC CONSIDERATION ITALIAN REQUEST TO APPROVE THIS ACTION. THE PROPOSED IMPORT MEASURES WERE NEVER APPROVED BY THE EC, AND CONSEQUENTLY ITALIAN "BAN" REPORTED IN REFTEL NOT EXISTENT.

3. ITALIANS DID, HOWEVER, PUT GREAT PRESSURE IN GETTING EC TO MOVE FORWARD IMPOSITION OF HIGHER EC THRESHOLD PRICE ON IMPORTS
UNCLASSIFIED
UNCLASSIFIED

PAGE 02 ROME 09804 081753Z

FROM ALL DESTINATIONS. TOTAL OLIVE OIL IMPORTS INTO ITALY DURING NOVEMBER 1, 1973-OCTOBER 31, 1974 MARKETING YEAR WERE 161,607

METRIC TONS, WITH 42,813 METRIC TONS FROM TUNISIA (SLIGHTLY BEHIND FIRST RANKING SPAIN). THE OUTLOOK FOR 1974-75 HAD BEEN FOR LOWER IMPORTS, GIVEN RELATIVELY LOWER ITALIAN PRICES LAST WINTER AND THE FAIRLY LARGE 1974-75 OLIVE OIL CROP WITH A BUMPER CROP FORECAST IN 1975-76. BUT SPECULATORS WERE TAKING ADVANTAGE OF RECENT SITUATION IN WHICH WORLD PRICES FELL BELOW ITALIAN LEVELS.

4. ITALIAN JUSTIFICATION FOR GETTING INCREASED THRESHOLD PRICE INTO FORCE WAS THAT RECENT ITALIAN MARKET QUOTATIONS WERE FALLING RAPIDLY, FINANCIALLY HURTING ITALIAN PRODUCERS. RETAIL PRICES OF BOTH OLIVE AND SEED OILS HAVE FALLEN ABOUT TWENTY PERCENT SINCE JANUARY 1975. ITALIAN FARM GROUPS CLAIM THAT HIGHER THRESHOLD PRICE MAY OBVIATE IMPORT BAN, EITHER ON NATIONAL OR EC LEVEL, WHICH WOULD BE CONSIDERABLY MORE ONEROUS TO OLIVE OIL EXPORTING COUNTRIES. FARM GROUPS ARE ALSO URGING END TO 200 LIRE/QUINTAL TAX ON OLIVE OIL (AND SEED OIL) PRODUCTION. GOI PREFERRED RAISING THRESHOLD PRICE TO COSTLY BUYING UP FOR INTERVENTION POOLING, WHICH FARM GROUPS HAD BEEN URGING.

5. RESULT OF BOOSTING THRESHOLD PRICE HAS BEEN TO FIRM UP DOMESTIC MARKET. "LAMPANTE" IN BARI, FOR EXAMPLE, IS NOW QUOTED AT 1,250-1,290 LIRE/KILO (ABOUT AT THRESHOLD LEVEL), COMPARED TO 1,135 LIRE/MKILO IN LATE MAY (TODAY'S EXCHANGE RATE: 639 LIRE - ONE U.S. DOLLAR).VOLPE

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: VEGETABLE OILS, TRADE AGREEMENTS
Control Number: n/a
Copy: SINGLE
Draft Date: 08 JUL 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975ROME09804
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750235-1194
From: ROME
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750777/aaaacqlj.tel
Line Count: 87
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EB
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: 75 TUNIS 4110
Review Action: RELEASED, APPROVED
Review Authority: ShawDG
Review Comment: n/a
Review Content Flags:
Review Date: 08 JAN 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <08 JAN 2003 by ThomasVJ>; APPROVED <16 MAR 2004 by ShawDG>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: ITALIAN OLIVE OIL SITUATION
TAGS: EAGR, ECIN, ETRD, IT
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006